

F760802-0299

Pet 6 Libya

FORM DS 322-0CRJ

-4 JAN 73 21

532

901776

001776 | 042153Z JAN 73 | ROGERS

CONFIDENTIAL

EB/FSE:GBROWN:MHD
1/4/72 EXT 20681
AF/N:JUBLAKE

AF/N:WCLARK

Classification Extended By:
C.E. McManaway
A/CDC 8/11/1980
P800117-1414

RDS-3 1/4/85

ROUTINE

TRIPOLI

DEPARTMENT OF STATE A/CDC/MR

ROUTINE

LONDON

REVIEWED BY cg DATE 12/20/82

RDS or XDS INT. DATE

TS AUTH.

ENDORSE EXISTING

DECLASSIFIED

RELEASE DATE

REF: TRIPOLI 1941; TRIPOLI 000

1. [REDACTED] HAS BRIEFED DEPT ON BUNKER HUNT ARBITRATION MOVE, NOTING ALSO THAT INDUSTRY HAD SIMPLY BEEN INFORMED. HE INDICATED THAT MOST COMPANIES SEEMED TO APPROVE OF BH'S ACTION BUT THAT HE WOULD WANT TO CHECK OUT LEGAL IMPLICATIONS FOR SIGNATORIES TO SHARING AGREEMENT.

2. BUNKER HUNT HAS NOMINATED GOVERNOR CONNALLY AS ITS ARBITRATOR. [REDACTED] BH HAS REQUESTED ARBITRATION RULING ON NUMBER OF POINTS INCLUDING A) WHETHER LARG COULD COMPEL BH TO CONVEY EQUITY SHARE; B) WHETHER LARG COULD FORCE BH TO MARKET EX-BP CRUDE; C) WHETHER UNILATERAL PUNITIVE ACTION BY LARG AGAINST BH, SUCH AS SHUTOFF, WAS VIOLATION OF CONCESSION AGREEMENT. BH ADVANCED CLAIM THAT ITS DAMAGES FROM LARG ACTIONS TOTALED DOLS 20 MILLION.

3. WE NOTE THAT LARG HAS NEVER ANSWERED BP'S REQUEST FOR ARBITRATION. WE HAVE NOT DISCUSSED THIS WITH BUNKER HUNT OFFICIALS HERE, BUT SUSPECT THAT THEIR MOTIVES FOR THIS MOVE ARE AS MUCH OF A CORPORATE/LEGAL NATURE AS FROM ANY EXPECTATION THAT THEY COULD APPLY MEANINGFUL PRESSURE ON LARG.

4. DEPT INFORMED JANUARY 3 THAT LARG HAS INFORMED BH IT MAY RESUME LIFTINGS AS OF JANUARY 2. ~~GDS.~~ 44

CONFIDENTIAL